

Commissioner Trinidad Navarro Announces National Improper Marketing of Health Plans Working Group

National Antifraud Task Force takes on new charges to protect consumers

Delaware Insurance Commissioner Trinidad Navarro, Chair of the National Association of Insurance Commissioners' (NAIC) Antifraud Task Force, announced today the successful creation of the Improper Marketing of Health Plans Working Group, which aims to tackle some of the nation's most serious consumer-centered health scam efforts and end the siloed approach to addressing the issue.

"Robocalls, search engine advertisements, mailers, and endless telemarketing efforts aim to steal from those seeking comprehensive health insurance. All across the country we have seen scam artists build out networks of communication that center around selling insurance plans that do not offer residents adequate protection. They are merciless in their efforts, and they trick consumers into thinking they will have the coverage they need for their medical care" said **Insurance Commissioner Trinidad Navarro**. "There's no need to sugarcoat it – there is deception occurring, and its being directed towards some of the most vulnerable residents. COVID-19 rightfully increased consumer concerns and led more people to seek out affordable insurance – but this concern has been manipulated by scammers. This Working Group will make headway towards ending these efforts to exploit residents."

The Working Group is a new approach to address concerning increases in consumers being marketed away from ACA-compliant

plans to [other products that do not offer comprehensive coverage](#) for things like preexisting conditions or hospital visits. Many improperly marketed health plans claim to be compliant, or advertise under look-a-like naming that deliberately creates confusion, such as “Bidendcare,” or “Healthcare.com.”

These products may be inadvertently found by consumers searching for legitimate coverage, or on websites where a fraudulent entity has purchased advertising. Often, a consumers’ inquiry can be turned into a request for a quote without consent, and contact information is sold to third parties. The plans use of lead generators and telemarketing is so pervasive that department investigators must purchase dedicated phones for their investigations due to the intrusive, rapid-fire robocalls and text messages that can mount to more than 40 per day from a single webform completion.

The Working Group has meet informally since March 2020 to create a comprehensive conversation on the issue, combining discussions that previously took place in separate health, market conduct, and fraud committees. State and federal level regulators have attended, discussing the latest bad actors and efforts in their jurisdictions, often finding that those efforts are echoed elsewhere. Movement of scams from state to state after regulators shut them down is one of the key reasons that regulators sought approval of the subcommittee and its charges by NAIC’s Executive and Plenary Committees.

“The formation of this Working Group can help stop scams before they start,” shared **Delaware Special Deputy Frank Pyle**, who has served decades in law enforcement, fraud investigation, and market conduct, and lends his expertise to the new subgroup as **Co-Chair**. “With greater communication between regulators, those who aim to exploit consumers should be scared. Running from state to state will not be an option.”

The Working Group's official charges include:

- Coordinate with regulators, both on a state and federal level, to provide assistance to and guidance on monitoring the improper marketing of health plans, and coordinate appropriate enforcement actions, as needed, with other NAIC Committees, task forces, and working groups.
- Review existing NAIC Models and Guidelines, including laws and regulations, that address the use of lead generators for sales of health insurance products and identify models and guidelines that need to be updated or developed to address current marketplace activities.

"The Nebraska Department of Insurance is pleased with the official recognition of this group by the NAIC. When we started this group, our goal was to create open communication between all states and the federal government in order to identify and investigate these bad actors in the improper marketing of health plans. Today, that goal is achieved, but the work is just beginning. We will utilize this group to further investigations and prosecutions of those entities and strengthen our laws so we can protect the insurance buying public from these activities," shared **Martin Swanson, Deputy Director of the Nebraska Department of Insurance and Chair of the Working Group.**

Following approval of the Working Group, regulators can now formally join the committee. Ad hoc virtual meetings have consisted of contributors from nearly every state, with meetings regularly engaging 100 to 300 participants. The Working Group's members have already taken multiple administrative actions against entities and schemes identified by the group to protect consumers. Meetings are regulator-only.

The Working Group is part of the National Antifraud Task Force, which works with insurance regulators across the

country, as well as local, state, federal and international law enforcement and antifraud organizations. The Task Force provides guidance and resources for insurance departments across the country and in the U.S. Territories, including tracking and analyzing trends in fraud. Numerous subgroups inform the Task Force's work, including the Antifraud Education Enhancement Working Group and the Antifraud Technology Working Group.

[More information about non-compliant health plans](#)